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HB 5250 AAC Contracts Between Optometrists and Health Insurers

Senator Crisco's and Representative Megna. My name is Frank Rozak and I am a consultant for Luxottica Retail. I am here today in opposition to HB 5250 AAC Contracts Between Optometrists and Health Insurers. EyeMed is a subsidiary of Luxottica Retail and specializes in providing managed care vision benefits to the members of a given plan. In some instances, the purchaser (corporations, trade groups, etc.) elect NOT to include eyeglasses or contact lenses in the plan for their beneficiaries -- primarily due to increased costs. In such situations, the plan simply provides for an eye examination at a reduced price.

EyeMed and other managed care plans develop panels of providers (ophthalmologists, optometrists and opticians) to service the beneficiaries of those plans. The providers on the panels agree to provide the services or materials covered by the vision care plan at the agreed-upon price expressed in the contract. In contracts NOT including corrective eyewear, the provider agrees to provide a specified discount from his/her normal and customary retail price if eyewear is required as a result of the eye examination.

The purpose of this bill, in part, is to prohibit vision care plans from including discounts for eyeglasses or contact lenses in their contracts with providers. The only beneficiary of such legislation is the PROVIDER since it will result in benefitting their pocketbooks by being able to charge retail prices to plan members. The adverse impact will be solely on consumers who belong to such managed care vision plans. This is clearly an anti-consumer proposal and we vigorously oppose its enactment.

Over the years, the state dental associations have sought to enact bills like H.B. 5250 for managed care dental plans. They have reached an accord with those plans (Delta Dental, etc.) who no longer oppose such legislation. Now, the optometrists are trying to "latch on" and increase their profits at the expense of the members of such vision care plans.

We urge you to reject this legislation and vote in favor of consumers and the discounts that will benefit them.